Approved

CITY OF YPSILANTI
COUNCIL BUDGET SESSION MINUTES
COUNCIL CHAMBERS
ONE SOUTH HURON STREET
TUESDAY, MAY 14, 2013
6:00 P.M.

I. CALL TO ORDER –

The meeting was called to order at 6:07 p.m.

II. ROLL CALL –

Council Member Jefferson(6:20)	Present	Council Member Robb	Present
Council Member Moeller (6:17)	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Present
Mayor Pro-Tem Richardson	Present		

Mayor Pro-Tem Richardson moved, supported by Council Member Vogt to excuse the absences of Council Members Jefferson and Moeller. On a voice vote the motion carried and the absences were excused.

III. INVOCATION –

The Mayor asked all to stand for a moment of silence.

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. AGENDA APPROVAL-

On a voice vote, the agenda was approved as submitted.

VI. AUDIENCE PARTICIPATION -

VII. REMARKS FROM THE MAYOR -

VIII. PRESENTATIONS OF DEPARTMENT BUDGETS –

1. **6:00 – 7:00 p.m.** - Overview of 5 Year Plan – City Manager Ralph Lange, John Kaczor, Municipal Analytics and Finance Director Marilou T. Uy

City Manager Lange gave an overview of the following:

- General Fund Transfers and Contributions
- General Fund Revenues (FY 2013-2014 Amended)
- General Fund Expenditures
- General Fund Pass-Through Revenues and Expenditures
- General Fund Expenditures (FY 2013-2014)
- Net Operating Revenues, Net Operating Expenses and Operating Surplus

Mr. Lange indicated that there are no budgeted transfers in the fiscal year 2013-2014 budget for Motor Pool, Police Special Revenue Fund, Workers' Compensation Fund and Major and Local Streets.

John Kaczor, Municipal Analytics, gave an overview of the 6-Year budget projections:

<u>Revenue Assumptions:</u>

- Taxable valuation increases 0.87% in 14-15, then 2% each year after
- Grant revenues included only if already awarded (potential for additional grant funds)
- No assumed increase in Act 51 funding
- No revenue assumed from sale of City property
- GF no longer receiving revenues from Police Special Revenue Fund, effective FY 14-15
- Anticipate $50,000 reduction in Fire Protection Grant, beginning FY 14-15

<u>Primary Personnel Assumptions:</u>

- Assumes 88.85 FTE regular employees
- All new hires receive Tier 2 benefits
- No wage increases through FY 18-19
- POAM employee compensation based on recently approved contract terms
- No change in AFSCME or COAM contracts (under negotiation)
- Savings from employee turnover not included

<u>Other Expenditure Assumptions:</u>

- Does not include refinancing Water Street debt
- GF contributions to Motor Pool limited to $250,000, beginning FY 15-16
- GF contributions to Capital Improvement Fund estimated to average $267,000/yr for 5 years
- Police Special Revenue Fund will require GF support, effective FY 14-15 (estimated net GF impact: $243,000)
- Worker's Comp contribution eliminated 2 yrs, then reinstated FY 15-16
- GF Street Lighting costs reduced to avg. $114,000/yr

<u>General Fund Outlook:</u>

- City will continue to rely on fund balance to fund operations and debt
- Fund balance estimated to decline from $8.6M to $2.2M by 2019
- GF expenditures expected to reach $15M by FY 18-19
- Water Street debt service is driving force of budget imbalance

<u>Street Funds Outlook:</u>

- Local Streets will require annual operating subsidy from Major Streets for foreseeable future
- No Local Streets construction planned
- Future year expenditures reflect maintenance only
- Major Streets Fund construction in future years significantly less
- Construction will be limited to funds available in either Streets Fund
- Leverage available resources to procure grants for street improvements

<u>Garbage Fund Outlook:</u>

- Fund requires significant effort to be self-sustaining
- Motor Pool contributions to Garbage Fund planned to be 50% of current funding in FY 14-15, then fully eliminated in FY 15-16
- Waste hauling contract must be renegotiated
- Other cost reductions will be required
- May explore other funding options

<u>Motor Pool Fund:</u>

- Significant fund reserves will be utilized to minimize required GF contributions for 5 years
- Capital purchases will be limited to $300,000 average per year
- Fire engine may be required, but not included at this time

- City undertaking an evaluation of rolling stock inventory

Savings will be realized if inventory can be reduced (capital, maintenance, insurance, operating costs)

- Fund outlook expected to change when study is completed

2. General and Non-General Fund Expenditures Review/Questions (FY 2012-13, 2013-2014)

Police Chief Amy Walker:

- Police Services (Administration, Field Services, Bullet proof Vest Grant, Jaq Grant, COPS Grant, Parking Enforcement, Lawnet, Jaq DJBX 1476) – Pages 20 thru 24
- Special Events – Pages 30 & 31
- Police Special Revenue Fund (265) – Pages 72 to 74

The Police Chief will continue to focus efforts on moving toward a Police and Fire Hybrid Model and increasing sworn personnel. The current FY 2012-2013 operating with 26 sworn and 4 civilians=30 FTE. Budget reflects 31 (one current police officer vacancy). The amended FY 2013-2014 includes an additional 3 new police officers and 2 part time police officers, bringing the total to 29 sworn police officers and 4 civilians = 33 FTE and 2 part time officers.

<u>Fiscal Year 2013-2014 Goals:</u>

- IT/Technology Upgrades and Adjustments to police reporting system (CLEMIS)
  - Electronic warrant request system launched by Prosecutors Office
  - E-Impounds, Property Processing, Crime Mapping, and Crime Statistics upgrades to improve user friendly access to establish an efficient and effective system
- Due to last year's retirements, we seek to stabilize personnel to provide core service. Fairly new command structure with 5 of the 7 being new promotions with one new hire:
  - 1 New Deputy Chief (February 2013)
  - 1 Newly promoted Lieutenant (Fall 2012)
  - 3 Newly promoted Sergeants (Summer/Fall 2012)

<u>Police Department Initiatives:</u>

- Continue to explore inter-agency collaborations and maintain current projects:
  - School Safety Active Shooter Training for entire Washtenaw County including instructor training. Upgrade in equipment, policy and implementation
  - K-9 Unit collaboration with Pittsfield Township
  - Metro SWAT Team
  - LAWNET Partners-Multi-Jurisdictional Task Force which is the oldest of nineteen cooperative drug units in Michigan that provides an enforcement response at the user, street, middle, upper, and organized trafficker levels. 1 YPD officer assigned and funded by Federal Grant/HIDTA funds and Drug Forfeiture Funds

<u>Major Amendments to the FY2012-2013 and FY 2013-2013 Budgets</u>

- Overtime Budget reduced from $434,000 to $360,000= Savings of $75,000
- Salary Savings =
  - New Deputy Chief salary and benefits much less than a Lieutenant position. $31,420 in savings
  - New Police Officer hired under Tier 2 benefits
  - POAM Tier 2 concessions for future hires
  - Due to not hiring/filling expected vacancies
  - FY 2011-2012 Personnel budgeted 36 FTE
- Capital Equipment
- $55,000 Replacement/Upgrade of Conducted Electrical Weapons (TASERS) as warranty to expire
- 2 vehicle purchases for FY 2013-2014
- 1 new patrol unit (replacing 2006 Ford Crown Vic, 80,000 miles)
- 1 new utility vehicle (replacing 2003 Astro Chevrolet Van)

<u>Future Considerations/Challenges:</u>

- Lack of personnel to commit to community policing initiatives and programs
- PSAP Funding that supports Dispatch Contracts– Expires FYE 2014
    - Expenditure of $73,000 for Police and $37,978.44 for Fire, total= $110,978.44
    - Balance remaining FYE 2013 =$92,810.19
        - Difference = $18,168.25 TBD
- Continue to seek and apply for grant opportunities that best suit the police department
    - Recent year – all grants have been closed out

Fire Chief Max Anthouard:

- Fire Services (Administration, Suppression) – Pages 25 to 27

3. Chief Anthouard gave an overview.

- Goal is to reach 17 personnel including 1 Fire Marshall, 3 Captains and 3 Lieutenants during transition period.
- One Firefighter already passed the Lieutenant test and is eligible for promotion.
- Three officer's positions are open. Fire Marshall, Captain, and Lieutenant.
- The Fire Marshall position is crucial for the implementation of an aggressive yearly prevention inspection program. (NFPA-1)
- Downsizing the activities done at the fire station to allocate time for inspection and training.
- Staff proudly remains committed to perform the preventive maintenance and small repairs of our vehicles and equipment. Saving is approximately $ 40,000.

- **Grants**
    - Applied for prevention grants to cover education of three Fire Inspectors and 50% of the Fire Marshall wage.
    - 2012 SAFER grant is still open.

- **Fire Prevention Activities**
    - We are looking at the implementation of a yearly inspection program for businesses and apartment complexes.
    - Cost recovery stream
- Motor Pool
    - We will keep only 2 engines and 1 tower in service for operations.
    - 1996 Engine 1 pumper is schedule for 2013-2014. We should be able to keep it an extra year.
- Facility Improvement
    - Continue Chief Ichesco's plan in remodeling the fire station
        - Painting: Half of the fire station is done
        - Changing all carpets is in 2013-2014 budget
- Capital Equipment
        - SCBA and thermal imaging camera replacement
        - Replace bunk beds
        - New set of Jaws of life for 2014-2015

The meeting recessed at 8:40 p.m. and reconvened at 8:52 p.m.

4. DDA Executive Director Tim Colbeck reviewed the following:

- YDDA Building Rehab Grant Rd. III & IV
    - Washtenaw County/ELG awarded YDDA a $30,000 grant for Rd. III of the program for Fiscal Year 2012-13 and a $15,000 for Rd. IV in Fiscal Year 2013-14
    - The YDDA matched the Washtenaw County Grants with an additional $15,000 for Rd. III and $15,000 for Rd. IV
    - The Building Rehab Grant program has been expanded its eligibility requirements to three DDA districts (Downtown, Depot Town, & W. Cross/Campus Town)

- In Rd. III we awarded 8 grants totaling $48,000 which will leverage a projected $219,000 ($171,000 private equity) in building improvements and create 47 permanent jobs
- Rd. IV grants are currently available equaling $30,000 through Fiscal Year 2013-14

- YDDA Façade Grant Program Rd. II & III
    - Washtenaw County/ELG awarded YDDA a $7,500 grant for Rd. II of the program for Fiscal Year 2012-13 and is expected to match for 2013-14 also
    - The YDDA matched the Washtenaw County Grant with an additional $32,500 each for Rd. II and Rd. III
    - To date the YDDA has awarded 5 grants totaling $12,159 which has leveraged a projected $39,054 ($26,895 in private equity) in facade improvements for Rd. II
    - YDDA has committed to fund $40,000 for Rd. III of the program in Fiscal Year 2013-14

Accomplishments:

- **Beautification and Maintenance**
    - YDDA continued to provide DDA wide beautification and maintenance programs including:
        - Spring flower planting and regular watering and maintenance
            - Providing all materials for hanging baskets, terra cotta planters, Michigan Ave. median and Washington St. Planters and four times weekly watering
            - Weekly loose trash removal in the N. and S. Huron, N. Adams, and Washington St. public lots and general areas
            - Fertilization and weed control in Downtown parking lot shrub beds and tree wells
        - Downtown tree trimming and old holiday light removal
            - Trimmed and removed old and damaged holiday lights from 55 Downtown trees
            - Improved the health of the trees, aesthetics to downtown businesses, as well as the public safety
        - Partnered with the YACVB on the installation of winter/seasonal street banners in Downtown and Depot Town districts
        - Partnered with the YACVB on Holiday Lighting and/Decoration installment
            - YDDA provided décor and the YACVB paid DPS to install in Downtown and Depot Town Districts
        - Provided a $500 match grant to the DAY to purchase extra holiday lighting/decorations for the Downtown district
            - Made available equal grants to both Depot Town and W. Cross/Campus Town districts
        - Provided a $500 match grant to the DAY to purchase extra holiday lighting/decorations for the Downtown district
            - Made available equal grants to both Depot Town and W. Cross/Campus Town districts
        - Provided pedestrian trash can services throughout the DDA districts
            - Contract with the City of Ypsilanti DPS for twice weekly pedestrian trash can service ($20,000 annually)
        - Provided solid waste and cardboard recycling services for the Downtown District
            - Services provided with permanent enclosures located in the N. Huron, S. Huron and N. Adams public lots and behind 215 W. Michigan Ave.
            - Provided an average savings to adjacent businesses of $4,888 annually based on a 6 CY dumpster serviced once weekly based on average industry rates
        - Funded the installation of a Washington St. Electrical box to support the DAY Crossroads Summer Musical Festival and other potential public events

    - Facilitated the installation of a new pedestrian bench in front of the Ypsilanti Food Co-Op
- **YDDA Parking Study**
  - YDDA performed a detailed In-House Parking Study in Fiscal Year 2012-13
    - Staff provided approximately 580 hours of time actively working on the study as well as an additional 210 hours of volunteer time provided by EMU students
    - The YDDA incurred no additional costs to perform this study
  - The YDDA Ad Hoc Parking Committee is currently reviewing the study to make final recommendations for implementation to the City of Ypsilanti in the summer of 2013

BUDGET SUMMARY:

Revenues

- Operating (1.8282 mil) $51,377
- TIFA $342,556
- Misc. Income $41,830
- Appropriation Fund Balance $127,863
- Total $563,626

Expenses

- Operating $42,933
- Wages & Benefits $134,700
- Bond Payments $188,805
- TIFA Expenses $197,188
- Total $563,626

Fund Balance as of FYE June 2012 $586,265
Appropriated for FYE June 2013 $127,863
Projected FB FYE June 2013 $458,402

Operating Revenues	Operating Expenses
$53,278	$42,928

- Operating Revenues are restricted to only Operating Expenses
- Expenses include rent, supplies, city fees for payroll and audit, legal services, and conferences (can be earmarked for wages)
- Revenues exceed Expenses by $10,350

Misc./Grant Revenues	Misc./Grant Expenses
$22,500	$22,500

- Misc. Revenues include grants and other non-tax related sources
- Grant Revenues are restricted by the terms of the grant award
- $15,000 is ELG award earmarked to YDDA Building Rehab Program and $7,500 to YDDA Façade Improvement Program

TIFA Revenues	**TIFA Expenses**
$397,028	**$442,251**

- TIFA Revenues are not restricted funds
- TIFA Expenses include Wages & Benefits, Bond Payments, and TIFA Project Expenses
- Expenses exceed Revenue by $-45,223
- The deficit is made up through Appropriations from our fund balance

TIFA Revenues	**Wages & Benefits**
$397,028	**$139,752**

- Wages include YDDA Staff and downtown police officer
  - Executive Director - $55,286
  - YDDA Staff - $23,660
  - Downtown Officer - $30,150
- Benefits include social security, healthcare, and retirement

- Can use $10,350 remainder from Operating Revenue here
- The remainder of TIFA Revenues are $267,626

TIFA Revenues (- wages)	**Bond Payments**
$267,626	**$187,105**

- **Bonds include Depot Town Maple St. Lot, Downtown Streetscape I and II**
- **The remainder of TIFA Revenues are $80,521**

TIFA Revenues (- wages & bonds)	**TIFA Program Expenses**
$80,521	**$137,894**

- **TIFA expenses include both one time and ongoing program/project expenses**
- **Grant money will pay for $22,500 of TIFA Program Expenses as allowed**
- **The remainder of TIFA Revenues are $-34,873**
- **The remainder will be made up through FB appropriations**

TIFA Program Expenses		**Revenue Source**
Streetscape Maintenance	**$25,750**	**TIFA Revenue**
Seasonal Planting	**$2,500**	**TIFA Revenue**
Pedestrian Trash Coll.	**$20,000**	**TIFA Revenue**
Waste Management	**$15,900**	**TIFA Revenue**
Holiday Lighting/Decor.	**$1,500**	**TIFA Revenue**
DTE Electrical Bills	**$2,000**	**TIFA Revenue**
DT Rail Fence Lease	**$244**	**TIFA Revenue**
Building Rehab Grants*	**$12,627**	**TIFA Revenue**
Sub-total	**$80,521**	**TIFA Revenue**

***the remainder of this expense will come from FB reserves**

TIFA Program Expenses		**Revenue Source**
Building Rehab Grants*	**$2,373**	**FB Reserve**
Façade Grants	**$32,750**	**FB Reserve**
Sub-total	**$34,873**	

***Remainder not covered by TIFA revenue**

Council Member Murdock moved, supported by Council Member Robb the following resolution:

> **RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI** that the Ypsilanti City Council requests that the Downtown Development Authority (DDA) forego tax increment financing (TIF) funds captured from public transit millage and transfer those amounts ($20,000) to Ann Arbor Transit Authority (AATA).

Mayor Schreiber said he prefers that the full $20,000 not be taken initially but begin at $7,000. He said he feels this would be more acceptable.

On a roll call, the vote to approve the motion was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	No
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 1 (Schreiber) Absent: 0 Vote: Carried

Mayor Schreiber said he voted no, however he supports the thought and not the amount.

5. Fiscal Services Director Marilou Uy gave an overview of the following:

- General Obligation and Water Sewer Bonds – Pages 80-97and 112-135
- Capital Improvement Fund (414) – Page 106 to 109
- Economic Development Corporation (415) – Pages 110 to 111
- Sidewalk Fund (495) – Page 136 to 138
- Public Transit Fund (588) – Pages 139 to 140
- Motor Pool Fund (641) – Pages 141 thru 146
- Retirees' Benefits Fund (736) – Pages 154 to 157

CAPITAL IMPROVEMENT FUND:

FY 2012-2013 Amended Budget

- Computer replacement for Finance and Planning interns, building counter and printer for Payroll Technician and AHB, and tablets for Building, paperless direct notification software and support for payroll. IT contractual services, phone system support with Washtenaw County, Adobe upgrade, annual software supports with various vendors.
- Bullet proof vest, Clemis Lien program maintenance fee, and Talon Point Maintenance fee for Police Services.
- Fire hose, SCBA and thermal camera for Fire Services.

- Computer replacement for sign shop at DPS and for Planning intern, printers for DPS Administration and Mechanic. IT contractual services, phone system support with Washtenaw County, annual software supports with various vendors. Phone system replacement and T1 cable replacement from City Hall to YPD.
- Taser replacements, Rifle Mounted Flashlights, Bullet proof vest, Clemis Lien program maintenance fee, and Talon Point Maintenance fee for Police Services.
- Fire hose, SCBA and thermal camera for Fire Services.
- Begin construction of MNRTF Heritage bridge worth $589,500.

ECONOMIC DEVELOPMENT AUTHORITY:

- FY 2012-13 is consistent with last years' budget. FY 2013-14 Budget is lower than FY 2012-13
- This is the sixth of a ten year funding that has been allocated to the City from CDBG of $50,000 for the ADA ramp program. The City is also expecting to receive Metro Act Funding from State of Michigan for $55,000 for the sidewalk replacement and any other related expenses in the sidewalk program.

PUBLIC TRANSIT FUND:

- The City levied 0.9789 mills for both fiscal years equivalent to $276,000 for FY 2012-13 and $274,000 for FY 2013-14.
- The Council approved an Ann Arbor Transit Authority (AATA) Payment of Service Agreement (POSA) for FY 2012-13.

Mayor Pro-Tem Richardson was excused from the meeting at 10:10 p.m.

MOTOR POOL FUND:

REVENUES

FY 2012-2013

- Equipment Rental: No General Fund contribution to Motor Pool for Police and Fire.

FY 2013-2014

- Equipment Rental: No General Fund contribution to Motor Pool for Police, Fire, Environmental Services, and Building.
- Amended revenues decreased for FY 2012-13 and FY 2013-14.
- Fund balance appropriation decreased in FY 2012-2013 and increased in FY 2013-2014.

Motor Pool Fund Balance

Total Motor Pool Fund Balance at 6/30/2012: $5,902.353

Breakdown as follows:
Spendable fund balance **$3,694,909**
Building, Machineries-Net of Accumulated Dep'n $1,974,176
Inventory & A/R $ 233,268
FY 2012-13 estimated spendable fund balance $3,148,000
FY 2013-14 estimated spendable fund balance $2,510,554
City Administration proposes no contributions to Motor Pool from all GF departments through FY 2014-2015.

RETIREES' BENEFITS FUND:

- The revenue source of this fund is from the Police and Fire pension millage to pay for the other post employment benefits (OPEB) of retirees.
- FY 2012-13: Due to an increase in retiree health care cost, the amended amount needed to pay for retirees police and fire health care cost increased to $933,121 from $861,716 (3.0603 mills), which resulted in a shortfall of $71,405. This amount will be added to FY 2013-14 amount needed to be levied.
- FY 2013-14 : The amount to be levied of $1,148,194 ($665,791+$410,998 + $71,405) is equivalent to 4.1051 mills.

IX. AUDIENCE PARTICIPATION

XII. REMARKS FROM THE MAYOR

XIII. ADJOURNMENT -

A. Resolution No. 2013-076 adjourning the City Council Meeting.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:
That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

On a voice vote the motion carried and the meeting adjourned at 10:25 p.m.

.